

North line and 25 feet from the East line and to a bottomhole location 2310 feet from the North line and 350 feet from the West line of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chesapeake Operating, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles southeast of Malaga, New Mexico.

3. **CASE 14256: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.**
Applicant seeks an order pooling all mineral interests from the surface to the base of the Yeso formation underlying the SW/4 NW/4 of Section 10, Township 20 South, Range 25 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent, including the Undesignated Cemetery-Yeso Pool. The unit is to be dedicated to the proposed Long Draw "10" E Well No. 1, to be drilled at an orthodox location in the SW/4 NW/4 of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3-1/2 miles west-southwest of Seven Rivers, New Mexico.
4. **CASE 14257: Application of Marbob Energy Corp. for compulsory pooling, Eddy County, New Mexico.**
Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 6, Township 24 South, Range 29 East, NMPM, and in the following manner: Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) to form a standard 319.88-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Malaga-Atoka Gas Pool and Cedar Canyon-Morrow Gas Pool; the SE/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Malaga-Delaware Pool. The units are to be dedicated to the Double Dale Fee Com. Well No. 1, to be drilled at an orthodox location in the NE/4 SE/4 of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 3-1/2 miles northeast of Malaga, New Mexico.
5. **CASE 14258: Application of Purvis Operating Co. for compulsory pooling, Lea County, New Mexico.**
Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 7, Township 15 South, Range 35 East, NMPM, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Morton-Atoka Gas Pool, Undesignated East Morton-Morrow Gas Pool, and Undesignated Morton-Mississippian Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the proposed Antelope Well No. 1, to be drilled at an orthodox gas well location in the NE/4 NE/4 of Section 7. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 8 miles northwest of Lovington, New Mexico.
6. **CASE 14259: Application of Edge Petroleum Operating Company, Inc. to expand the horizontal limits of the Lovington-Upper Pennsylvanian Pool, or in the alternative for approval of a non-standard oil spacing and proration unit and an unorthodox oil well location in the Northeast Lovington-Upper Pennsylvanian Pool, Lea County, New Mexico.**
Applicant seeks an order expanding the horizontal limits of the Lovington-Upper Pennsylvanian Pool, which is developed on statewide spacing rules, to include the NW/4 of Section 25, Township 16 South, Range 36 East, N.M.P.M., and the formation of a standard 40-acre oil spacing and proration unit comprised of the SW/4 NW/4 of Section 25, to be dedicated to the South Lovington 25 Well No.

1, located at an orthodox oil well location 1977 feet from the North line and 330 feet from the West line of Section 25. In the alternative, applicant requests approval of a non-standard 40-acre oil spacing and proration unit in the Northeast Lovington-Upper Pennsylvanian Pool, which is spaced on 80 acres under Order No. R-3816, comprised of the SW/4 NW/4 of Section 25. The non-standard unit will be dedicated to the South Lovington 25 Well No. 1, located at an unorthodox oil well location in said pool. Applicant also requests approval of the unorthodox location. The unit is located approximately 4 miles southwest of Lovington, New Mexico.

7. **CASE 14242:** (Continued from the December 4, 2008 Examiner Hearing.)

Application of Enervest Operating LLC to amend the Unit Agreement and the Unit Operating Agreement for the West Loco Hills Grayburg No. 4 Sand Unit, and for statutory unitization, Eddy County, New Mexico.

Applicant seeks an order amending the Unit Agreement and Unit Operating Agreement, and statutorily unitizing all mineral interests in, the Grayburg formation in the previously approved West Loco Hills Grayburg No. 4 Sand Unit underlying 5307.73 acres of federal, state, and fee lands covering parts of Township 17 South, Range 29 East, Township 18 South, Range 29 East, and Township 18 South, Range 30 East, N.M.P.M., described in Commission Order No. R-2166. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate. The unit area is centered approximately 6 miles southwest of Loco Hills, New Mexico.

8. **CASE 14243:** (Continued from the December 4, 2008 Examiner Hearing.)

Application of Enervest Operating LLC for expansion of the waterflood project for the West Loco Hills Grayburg No. 4 Sand Unit, Eddy County, New Mexico. Applicant seeks approval to expand the waterflood project in the West Loco Hills Grayburg No. 4 Sand Unit by the injection of water into the Grayburg formation into wells located on 5307.73 acres of federal, state, and fee lands covering parts of Township 17 South, Range 29 East, Township 18 South, Range 29 East, and Township 18 South, Range 30 East, N.M.P.M., described in Commission Order No. R-2166. The unit area is centered approximately 6 miles southwest of Loco Hills, New Mexico.

9. **CASE 14162:** (Continued from the November 13, 2008 Examiner Hearing.)

Application of Merriion Oil and Gas, Corp. for compulsory pooling in San Juan County, New Mexico.

Merriion Oil and Gas, Corp. seeks an order pooling all unleased and uncommitted mineral interest and all uncommitted working interest owners in the Basin Fruitland Coal Pool in the W/2 of Section 9, Township 29N, Range 13W, NMPM, forming a standard 320 acre spacing unit for said Pool. The spacing unit will be dedicated to the drilling of the Glade Park 1 well in the NW/4 and the Glade Park 2 well in the SW/4. Also to be considered will be the cost of drilling and completing both wells and the allocation of cost thereof, as well as the actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. This spacing unit is located inside the city limits of Farmington, New Mexico.

10. **CASE 14173:** (Continued from the November 13, 2008 Examiner Hearing.)

Application of Kaiser-Francis Oil Company for an exception to Division Rule 104.C(2), Lea County, New Mexico.

Applicant seeks an exception to Division Rule 104.C(2) to drill and produce its Bell Lake Unit Well No. 33 as an infill well in an existing 318.38 acre gas spacing unit in the South Bell Lake-Morrow Gas Pool comprising Lots 6, 7, E½SW¼, and SE¼ (the S½ equivalent) of Section 6, Township 24 South, Range 34 East, N.M.P.M., at an orthodox gas well location in the NE¼SE¼ (Unit I) of Section 6. Applicant further seeks to simultaneously dedicate production from the South Bell Lake-Morrow Gas Pool in Section 6 to the Bell Lake Unit Well No. 33 and to Kaiser-Francis Oil Company's existing Bell Lake Unit Well No. 26, located 1650 feet from the south line and 660 feet from the east line (Unit I) of Section 6. The two wells shall not produce concurrently from the same Morrow sands. The well unit is located approximately 23 miles southwest of Oil